

# INFORMATION TECHNOLOGY

## PREMIUM PAY

### Guidelines for State Agencies

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The Division of Personnel Services  
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- Executive Directive 97-264
- Listing of Information Technology Classes by Category
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## INTRODUCTION

In March, 1997, at the direction of the Secretary of Administration, a team of representatives from the Information Technology Advisory Board, state agencies, and the Division of Personnel Services assembled to study recruitment and retention issues associated with IT jobs in mission-critical areas or areas requiring market-sensitive skills. IT recruitment and retention has been of major concern to State agencies, and the team worked together to find joint solutions to the problem. In addition to pay issues, this team addressed related subjects including the availability of skills, recruiting and hiring practices, contracting with employees, and providing needed equipment such as cellular phones and laptop computers.

With respect to total compensation, it was decided that premium pay would enhance the recruitment and retention of State IT employees most effectively. Executive Directive 97-264, which is an attachment to this document, establishes a variety of premium pay options that are available to agencies to enhance the recruitment and retention of Information Technology (IT) employees. IT employees are **classified** employees in occupational categories P1 (Information Resource Management Professionals and Technicians), P2 (Data Processing Professional and Technicians), P3 (Telecommunications Professionals and Technicians) as listed in the attachment, Public Service Executives (PSE) who directly supervise employees with critical IT skills, and **unclassified** employees performing work in any of these categories. **Any unclassified IT employees whose pay is set by the Governor must have prior approval of the Office of the Governor to receive any of the bonuses.** Any contracted manager or supervisor of employees with mission critical skills is eligible for at least a pro rata share of the bonus dollars of the employees they supervise.

**The premiums offered through the Executive Directive are recruiting and retention tools for agency use rather than employee entitlements. As such, agencies are responsible for determining the employee or employees who will receive premiums if they meet eligibility requirements. The agency is under no obligation to pay a premium to any employee even if they are eligible. In fact, all employees in IT positions are eligible for premium pay; however, only those IT employees who are assigned to eligible projects or have the requisite skills may receive the premium pay bonuses. Payment of premiums is to be made within existing agency funding parameters. All premiums are expressed in gross amounts, and will be subject to taxes and other deductions.**

Each agency is responsible for carefully documenting which of its IT employees are receiving the premiums, and the reasons those individuals are receiving the premiums. Copies of this documentation should be filed with the agency human resource manager and this information must be available for audit by appropriate persons in state government. **No IT employee would be eligible for more than one skill-based bonus in any given year.** For example, if a new employee receives a Signing Bonus, they are ineligible for a Mission Critical Skills Bonus in the same year. Likewise, if an employee is paid a full Skills Acquisition Bonus, they are ineligible for a Mission Critical Skills Bonus in the same year. In general, the skills bonuses apply to the person and, while the IT employee may qualify for bonuses on the basis of multiple Mission Critical Skills, they would only be eligible for the maximum percentage (10% to 13%) in any given year. Eligible IT employees may receive skills and project bonuses simultaneously; and, flexibility exists within the guidelines to

offer some IT employees a pro rata share of a premium based on the amount of time they utilize a skill or perform work on a project. Another factor to consider with respect to these premiums is that they are intended to help agencies recruit from outside state government for employees with **market-sensitive skills** and to retain those IT employees **within their agency**. They are not intended to be used as enticements to employees to leave one agency for another. For this reason, some of the premiums contain payback provisions to encourage commitment to the hiring agency. Moreover, the premiums are not intended to cover all IT jobs, but rather to put financial support toward specific IT areas where the greatest risk of recruitment and retention problems exists.

The following types of IT premium pay do not add to employees' base pay, but are in the form of bonuses provided by their respective agencies. These are a **signing bonus, a recruitment bonus, a mission critical skills bonus, a skills acquisition bonus, and a mission critical project bonus**. Employees will not be able to receive or retain any of the bonuses if they leave State service or accept a position with another State agency, unless they fulfill the time and other specified obligations within their hiring agency.

The Secretary of Administration is authorized to establish and direct the development or revision of guidelines and other provisions of this plan, including determining eligibility for receipt of the premiums either on the basis of job class, position, type of skill, project, or other criteria that may be established.

The following guidelines are designed to assist state agencies with the application and use of the Information Technology (IT) premium pays.

## SIGNING BONUS

- I. Purpose: To enhance recruitment of IT employees.
- II. Eligibility: Prospective exempt or non-exempt IT employees who possess the skills identified on the attached list of Approved Information Technology Skills will be eligible for the Signing Bonus. Current IT employees are not eligible for the bonus.
- III. Amount: Up to \$3,000.
- IV. Payment Conditions: Earned as a lump sum during the week of hire with the employing agency, and paid on the first paycheck. To receive the bonus, the employee must sign a statement that the employee agrees to pay back, as liquidated damages, the entire amount of the bonus to the State, including tax withholdings thereon, if the employee leaves State service or goes to another State agency within one year of the initial employment (see the attached example). Pay back remittances are owed and payable in full in the form of certified checks or money orders to the agency within 30 days of the termination date with the agency.
- V. Payment Method: The Signing Bonus will affect the regular hourly rate of pay of non-exempt employees for purposes of overtime calculation only during the work week the bonus is received. **For this reason, agencies are cautioned not to assign overtime work to affected employees during this work week.** The following earnings code will be assigned to this bonus:

Signing Bonus regular earnings - BOS

This is a revised page. Effective date 6/98

## RECRUITMENT BONUS

- I. Purpose: To enhance recruitment of IT employees.
- II. Eligibility: Any State employee.
- III. Amount: \$500.
- IV. Payment Conditions: Paid as a lump sum to existing State employees who successfully recruit IT employees in approved, difficult to fill jobs which are defined as jobs using skills identified on the attached Approved Information Technology Skills listing. The bonus is awarded to an existing employee whose recruited employee remains with their hiring agency for one year. If the recruited employee maintains employment with the State, but not with the hiring agency for one year, the recruitment bonus will not be paid. In addition, the recruitment bonus will be paid only for employees recruited from outside State employment. The bonus will only be paid to State employees who are in active employment status at the time the recruited employee attains one year of employment with their hiring agency. **Employees who are responsible for, or have significant influence on the hiring process of the IT employee would not be eligible to receive the bonus.**
- V. Payment Method: The Recruitment Bonus will affect the regular hourly pay rate of non-exempt employees for purposes of overtime calculation for each work week during the 12 months preceding receipt of the bonus. It will be the responsibility of the hiring agency to identify, track, notify, and pay the recruiting State employee even if the employee is with another state agency before, during, and after the recruited employee has successfully completed the year of employment. The following earnings codes will be assigned to this bonus:

Recruitment Bonus regular earnings - BOR

Recruitment Bonus overtime earnings - BRO

## MISSION CRITICAL SKILLS BONUS

- I. Purpose: To enhance retention of IT employees.
- II. Eligibility: Exempt or non-exempt IT employees whose skills are needed in a mission critical area selected from the attached Approved List of Information Technology Skills, and specifically designated in the employee's job description as comprising at least 50% of the work.
- III. Amount: Up to 10% of annual base pay initially, with up to a maximum of 13% of annual base pay after the third year.
- IV. Payment Conditions: May be paid initially to existing IT employees then annually at the time of employee evaluation. Paid as a lump sum, the bonus may increase by 1% of base pay each year as long as the skill remains on the Approved List of Information Technology Skills, up to a **maximum of 13%.** **To receive a Mission-Critical Skills Bonus an employee must sign an agreement that the employee agrees to pay back, as liquidated damages, one-half the bonus if the employee does not remain with the agency for at least one year beyond the time when such bonus was received. The bonus repayment agreements to be signed by employees shall include substantially in the form attached hereto and labeled "Bonus Repayment Sample Agreements."** The bonus may not be carried over to other agencies within the same year if the employee leaves the hiring agency for another State agency. The employee would only be eligible for another skills-based bonus after a year of employment with the new agency.
- V. Payment Method: The Mission Critical Skills Bonus will affect the regular hourly pay rate of non-exempt IT employees for purposes of overtime calculation for each work week during the 12 months preceding receipt of the bonus. The following earnings codes will be assigned to this bonus:

Mission Critical Skills Bonus regular earnings - BOM

Mission Critical Skills Bonus overtime earnings - BMO

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## SKILLS ACQUISITION BONUS

- I. Purpose: To enhance retention of IT employees.
- II. Eligibility: Exempt or non-exempt IT employees who acquire key skills on the Approved List of Information Technology Skills after successful completion of training, and who demonstrate successful application of those skills on the job. An employee's position description must be revised after demonstration of the acquired skill to document that skill as a job requirement that comprises at least 50% of the work.
- III. Amount: Up to 10% of annual base pay.
- IV. Payment Conditions: Paid as a lump sum after an employee acquires the skill and demonstrates proficiency in it for a minimum amount of time. **To receive a Skills Acquisition Bonus an employee must sign an agreement that the employee agrees to pay back, as liquidated damages, one-half the bonus if the employee does not remain with the agency for at least one year beyond the time when such bonus was received. The bonus repayment agreements to be signed by employees shall include substantially in the form attached hereto and labeled "Bonus Repayment Sample Agreements."** The employee would only be eligible for another skills-based bonus after a year of employment with the new agency. Pay back remittances are owed and payable in full in the form of certified checks or money orders to the agency within 30 days of the termination date with the agency. **An employee would not be paid both a Skills Acquisition Bonus and a Mission Critical Skills Bonus in the same year.**
- V. Payment Method: The time period in which the Skills Acquisition Bonus will affect the regular hourly pay rate of non-exempt employees for purposes of overtime calculation will vary, but will never extend to work weeks beyond 12 months prior to receipt of the bonus. The work weeks affected, which must be expressed in **whole months** in SHARP, include the training period and subsequent time period during which the employee worked to demonstrate proficiency in the skill. The following earnings codes will be assigned to this bonus:

Skills Acquisition Bonus regular earnings - BOA  
Skills Acquisition Bonus overtime earnings - BAO

This is a revised page. Effective date 6/98



## MISSION CRITICAL PROJECT BONUS

- I. Purpose: To enhance retention of IT employees.
- II. Eligibility: Exempt or non-exempt IT employees who are assigned to specified, pre-approved projects. All IT employees who participate in a project eligible for a project bonus and are employed at the time of successful completion of the project, are eligible for the pro-rata share of the bonus for the actual time worked during the project.
- III. Amount: Up to 10% of annual base pay.
- IV. Payment Conditions: Paid to IT employees who successfully complete pre-defined and approved mission critical projects. The projects must have specified time frames and most will be of at least one year's duration, although some projects may be of shorter duration. This bonus is available only to those eligible employees who remain in their hiring agency at the time of bonus awards payment, which occurs upon completion of the project. Agency heads must approve projects according to the Approval of Information Technology Projects contained in this document which establishes specific guidelines for obtaining certification of projects for which the Mission Critical Project Bonus may be paid. A schedule of deliverables must be agreed upon with the employee at the onset of the project, and payment cannot be made until all deliverables are met.
- V. Payment Method: The Mission Critical Project Bonus will affect the regular hourly pay rate of non-exempt employees for purposes of overtime calculation for each work week the employee has been assigned to the project. The work weeks affected must be expressed in **whole months** in SHARP. The following earnings codes will be assigned to this bonus:

Mission Critical Project Bonus regular earnings - BOP

Mission Critical Project Bonus overtime earnings - BPO

This is a new page. Effective date 12/97

## APPROVED INFORMATION TECHNOLOGY SKILLS

The following is an approved list of Information Technology (IT) areas in which premium pays identified in Executive Directive 97-264 may be offered. This list applies to the offering of signing bonuses, recruitment bonuses, mission critical skills bonuses, and skills acquisition bonuses. **The list of skills will be maintained regularly as technology changes dictate. Skills on which bonuses are paid are based on skills for which other employers pay premiums. Other skills that may be critical to an agency's mission will not appear on this list because they are not sensitive to the IT market, and other employers do not pay premiums for these skills. Agencies wishing to add critical skills to the list should submit their request to the Director of Personnel Services for approval by the Secretary of Administration.**

<p><b>1. Network Control</b></p> <p>TCP/IP Wide Area Network  Remote Diagnostic Skill (Data Communications)  Network Management/Engineering/Design  SNA (Systems Network Architecture)  VTAM/NCP</p> <p><b>2. Local Area Network/Campus Support</b></p> <p>Network Certified Engineer (CNE)  NetWare 4.x  GroupWare  Windows NT  Netware Certified Administrator (CNA)  NetWare  GroupWise  MicroSoft Certified Engineer  Primary Support for 30+ User NetWare/NT LAN</p> <p><b>3. Operating Systems</b></p> <p>Virtual Machine (VM)  Multiple Virtual Systems (MVS)  Data Storage Management  DFSMS  DFS  CA-One  UNIX (200+ users), Solaris etc.  Certified Solaris Technician  Veritas, Reel B UNIX Data Storage Management  Tandem OS  NT Server  VSA/ESA  AS 400 Technical Support (100+ users)  CODEC H320, H323, H324, MCU, interactive</p>	<p><b>4. Database Technical Support</b></p> <p>Oracle  DB2  ADABAS  SYBASE  FileNet Imaging Systems  IMS/DL1</p> <p><b>5. Software Development</b></p> <p>Visual Basic  COBOL  Natural  SAS  FOCUS  C,C++  People Code  SQL/SQR  CICS  Roscoe/Wylbur/Librarian  Case and Developer Tools  Powerbuilder  RPG/400, RPG IV  Compiler Support  Java/Visual Java</p> <p><b>6. Data Center Operations</b></p> <p>Jobtrac  Unicenter/TNG  OPS/MVS  Data Center Engineering and Design  Sysout Archival and Retrieval</p> <p><b>7. General</b></p> <p>GIS (Archinfo) (Intergraph)  Perf.Meas./Cap. Plan./Tuning/(RMF/SMF)  CAD  Lotus Notes Technical Support</p>
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This is a revised page. Effective date 07/98

## APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

The following guidelines will be followed in obtaining approval for payment of a mission critical project bonuses identified in Executive Directive 97- 264 for employees identified as project workers in mission critical information technology (IT) projects.

1. An agency wishing to pay a bonus or bonuses for a mission critical project shall submit a **project plan** to the agency head for his or her approval, with an informational copy to the Director of Personnel Service.
2. The project plan shall contain, but not be limited to the following components:
  - A. A **project description** with a beginning date and estimated ending date, and estimated implementation cost.
  - B. A description of **State and/or consulting resources** required, including a funding plan that shall be filed with the agency's human resource officer.
  - C. A **staffing plan** which identifies by position number, class title, pay rate, and name the person(s) for which a bonus will be paid.
  - D. Specific deliverables that each employee must meet in order to receive a bonus.
  - E. If applicable, incentives for early completion of the project or incentives for completion of the project under budget.
3. The project must be directly related to a mission critical business function of the agency or year 2000 functional repair project.

This is a new page. Effective date 12/97